10. COMMUNITY AND REGIONAL DEVELOPMENT

Table 10-1. Federal Resources in Support of Community and Regional Development

(Dollar amounts in millions)

Function 450	1993 Actual	2001 Estimate	Percent Change: 1993–2001
Spending:			
Discretionary budget authority	9,600	10,997	15%
Mandatory outlays	760	-670	NA
Credit Activity:			
Direct loan disbursements	2,383	2,332	-2%
Guaranteed loans	297	3,456	NA
Tax expenditures	850	1,400	65%

NA = Not applicable.

Investing in our communities helps bring prosperity to all Americans. Federal support for community and regional development helps build the Nation's economy and helps economically distressed urban and rural communities secure a larger share of America's prosperity. The Federal Government spends nearly \$11 billion a year, and offers about \$1.4 billion in tax incentives to help States and localities create jobs and economic opportunity, and build infrastructure to support commercial and industrial development. Federal programs have stabilized and revitalized many of these communities, allowing them to expand their economic base and support their citizens, particularly those in need.

During the past eight years, the Clinton-Gore Administration has succeeded in promoting high-employment, low-poverty policies that have assisted communities in tackling the challenges of a new economy shaped by technological innovation and information processing. Growth in the technology sector accounts for more than 25 percent of all new jobs, and these positions are primarily located in cities and suburbs. From 1992 to 1998, many communities registered dramatic decreases in unemployment, which fell

in urban areas from 8.5 percent to 5.1 percent.

The Administration's community and economic development agenda has been built on the following components:

- Assisting communities in making the transition to the new economy by increasing access of under served communities to the capital and technical expertise they need to take advantage of untapped markets for labor, retail, and land.
- Addressing the challenges of an aging and increasingly diverse population by helping communities address the affordable housing crisis one that threatens regional competitiveness and family self-sufficiency.
- Giving communities the tools and resources that they need to build safe and livable communities.

Housing and Community Development

The communities experiencing the greatest economic growth often have the most severe housing problems, affecting both low and middle income residents who find it increasingly difficult to obtain housing that they can afford. The Department of Housing and Urban Development (HUD) provides communities with funds to promote commercial and industrial development, enhance infrastructure, and develop strategies for providing affordable housing close to jobs. HUD also provides grants and sponsors research to reduce the hazards created by lead-based paint in housing.

Community Development Block Grants (CDBG) provide funds for various community development activities directed primarily at low-and moderate-income persons. CDBG funds go to improving housing, public works and services, promoting economic development, and acquiring or clearing land. Seventy percent of CDBG funds go to more than 1,000 central cities and urban counties, and the remaining 30 percent go to States to award to smaller localities. The Section 107 setaside within CDBG, the University Partnerships Program, provides grants to academic institutions including Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribal Colleges. The Indian CDBG, also a set-aside within the CDBG program, focuses mainly on public infrastructure, community facilities, and economic development on reservations.

HUD's HOME Investment Partnership Program supports construction of new housing, rehabilitation of existing homes, acquisition of standard housing, home ownership counseling assistance, and tenant-based rental assistance.

The 1993 to 2001 accomplishments for the CDBG, HOME, and lead-based paint programs include:

- producing approximately 1,495,284 units of rehabilitated and newly constructed housing for ownership and rental through the CDBG program;
- creating more than 1,103,595 jobs through CDBG;
- awarding more than \$12.2 billion to HOME Participating Jurisdictions;
- constructing, renovating, or rehabilitating more than 600,000 housing units with HOME funds; and,
- developing in 2000 a strategy to virtually eradicate childhood lead poisoning by

2010, through the President's Task Force on Environmental Health Risks and Safety Risks to Children (a group that includes HUD, EPA, HHS, and other Federal agencies).

Empowerment Zones and Economic Development Tax Incentives

Empowerment Zones (EZs) provide tax incentives and grants to carry out 10-year, community-wide strategic plans to revitalize designated areas. Under the leadership of the Vice President and the Community Empowerment Board, which the Vice President has chaired, this Administration has enjoyed considerable success in developing and expanding EZs. Since the first communities were designated in 1994, the accomplishments for the Administration's EZ and Enterprise Community (EC) program include:

- leveraging more than \$12 billion in additional public and private sector investment in community revitalization efforts;
- serving more than 319,648 EZ/EC residents through educational programs including Head-Start, GED and vocational education programs;
- providing job training for more than 200,000 EZ/EC residents;
- creating more than 120,000 jobs within the EZ/ECs; and,
- securing an additional \$200 million in 2001 grant funding for EZs.

In 1994, the Administration designated nine Round I EZs, two Supplemental EZs (which were designated full EZs in 1998) and 95 ECs. Three of the EZs and 30 of the ECs were in rural areas and administered by the Department of Agriculture (USDA). These Round I EZs and related ECs leverage private investment, expand affordable housing and home ownership opportunities, mobilize grassroots leadership, and help create jobs. In January 1999, the Administration designated 15 new urban EZs and five new rural EZs (administered by USDA) from more than 268 distressed areas that applied for new designations. These EZs, along with the 20 new rural ECs, have begun implementation of their comprehensive strategies to redevelop their areas. Recently, the Community Renewal Tax Relief Act of 2000 also provided for the designation of nine additional EZs, with seven in urban areas and the remainder in rural areas.

Tax benefits for EZs include:

- a 20-percent wage credit on the first \$15,000 of qualified wages paid to zone residents working in the zone;
- higher up-front deductions for investments in equipment; and,
- special tax-exempt financing for certain zone property used by enterprise zone businesses.

Enterprise Communities are eligible for the tax-exempt financing benefits.

In addition, certain economically depressed census tracts within the District of Columbia were designated as the D.C. Enterprise Zone following the passage of the Taxpayer Relief Act of 1997. The benefits extended to the D.C. Zone include: the wage credit and upfront deductions, capital gains preferences for certain investments, and a first-time home buyer tax credit.

Community Capacity Building

The Department of Commerce's Economic Development Administration (EDA) provides assistance to communities to help build capacity and address long-term economic challenges through its nationwide program delivery network. EDA's public works grants help build or expand public facilities to stimulate industrial and commercial growth, such as industrial parks, business incubators, access roads, water and sewer lines, and port and terminal developments. EDA also assists communities in addressing sudden and severe economic downturns and in adjusting to downsizing and closure of defense facilities.

Since 1993, EDA's accomplishments include:

- in total, creating and retaining 511,000 jobs, investing \$3.3 billion in grants, and generating \$19.6 billion in private-sector leveraged investment;
- awarding 1,540 public works grants, totaling \$1.4 billion, for infrastructure development; and,

 awarding 650 grants totaling \$501 million to support disaster recovery efforts, and another 580 grants totaling \$830 million to assist communities in rebuilding their economies following defense-related industry downsizing and base closures.

Community Development Financial Institutions

The Treasury Department's Community Development Financial Institutions (CDFI) Fund seeks to promote economic revitalization and community development in distressed areas by increasing the availability of capital and leveraging private sector funds. The CDFI Fund provides financial and technical assistance to a diverse set of specialized, private, for-profit and nonprofit financial institutions known as community development financial institutions. CDFIs have a primary mission of community development and include community development banks, credit unions, loan funds, venture capital funds, and microenterprise loan funds.

Accomplishments for the CDFI Fund include leveraging more than \$3 billion in community development loans and investments through CDFI core awardees. These investments have:

- supported more than 6,000 micro enterprises:
- created or maintained about 41,000 jobs;
- developed or rehabilitated more than 52,000 units of affordable housing; and,
- supported up to 823 community facilities, including childcare centers, health care centers, charter schools and job training centers.

Rural Community Advancement

Because their needs are different, no single approach will help both urban and rural communities. To address this, the Administration developed the new Rural Community Advancement Program (RCAP). RCAP combined 12 separate USDA rural development programs into Performance Partnerships in which the Federal Government provides more flexibility while requiring more accountability for how the money is spent. RCAP grants, loans, and loan guarantees help build rural community facilities, such as health clinics,

day care centers as well as water and wastewater systems. RCAP also provides similar programs to assist rural businesses, including cooperatives, to increase employment and diversify the rural economy. Under RCAP, States have increased flexibility within the three funding "streams" for Water and Wastewater, Community Facilities, and Business and Industry. USDA State Directors have the authority to transfer up to 25 percent of the funding between any of the programs contained within a stream in order to tailor RCAP assistance to the specific rural economic development needs of individual States.

USDA rural development accomplishments since 1993 include:

- creating 122,000 jobs through RCAP;
- constructing 2,560 treatment facilities serving more than 15 million rural residents through RCAP's wastewater program;
- increasing USDA assistance to rural businesses from \$100 million in 1993 to more than \$1.3 billion in 2001 assistance that contributed to the creation of 336,000 jobs; and,
- overseeing the development of rural EZ/ ECs. More than 180 rural communities completed the strategic planning process needed to be considered for Round 1 EZ/ ECs. To ensure continuing benefits for those communities not awarded EZ/EC status, USDA designated them as "Champion Communities," eligible to receive priority assistance when competing for any type of USDA housing, business or utility funds.

Commitment to Native Americans

The Department of Interior's (DOI) Bureau of Indian Affairs (BIA) helps Native American Tribes, organizations, and individuals improve their economies, natural resources, and communities. BIA administers more than 56 million acres of Indian trust lands, and assists Indian landowners in developing agricultural, grazing, forestry, mineral, oil, and gas resources. In addition, BIA helps Indian businesses secure private capital through its loan guarantee program and partnerships with other Federal agencies. BIA also assists

Tribal governments in providing law enforcement, fire protection, employment training, housing assistance, and other community services. BIA provides support for 185 elementary and secondary schools, and 25 Tribal community colleges, and maintains more than 7,000 buildings, including school and dormitory facilities, 3,000 employee housing units, and more than 200 dams and irrigation facilities. Working with Federal, State, and local transportation agencies, BIA maintains and improves nearly 50,000 miles of road and 770 bridges that provide access to schools, employment, health, and other public services.

As part of President Clinton's Native American Programs Initiative, BIA accomplishments since 1993 include:

- successfully managing a 12-percent increase in elementary and secondary student enrollment, improving academic performance and daily attendance, while lowering student dropout rates;
- investing \$304 million to replace 19 of BIA's most dilapidated schools and dormitories, and more than \$467 million to rehabilitate or repair other elementary and secondary schools;
- guaranteeing \$369 million in private sector investments to create or expand Indian businesses and provide thousands of jobs on reservations;
- hiring more than 500 police officers, investigators, dispatchers, and detention personnel to improve public safety on Indian reservations. (With the Justice Department, BIA invested an additional \$174 million in Indian law enforcement personnel, training and equipment during 1999 to 2001, the first three years of a four-year modernization program.)
- investing \$144 million to rehabilitate 20
 of the most hazardous dams on Indian reservations to ensure safe and efficient operations for residents and neighboring communities;
- improving the quality of life for more than 4,500 low-income families by repairing or replacing substandard homes on Indian reservations; and,

 working with DOI's Special Trustee for American Indians to install modern trust fund accounting and management systems to provide more accurate and timely information on payments to more than 262,000 Tribal and individual accounts.

DOI is often perceived as the lead agency on Indian policies and programs. However, more than a dozen Federal agencies participated in the President's Native American Programs Initiative, which raised Governmentwide funding for Indian Programs from \$5.4 billion in 1993 to \$9.4 billion in 2001 (increases of \$1.1 billion, or 14 percent, over 2000, and 75 percent over 1993). The 2001 Budget requested an increase of \$1.2 billion over the 2000 enacted level, the largest single-year increase ever requested for Native American programs. Among the agencies with the largest increases between their 1993 and 2001 appropriations for Indian programs are: the Indian Health Service in the Department of Health and Human Services (an additional \$777 million, or 42 percent, over the 1993 level), BIA (\$496 million, or 30 percent), the Department of Education (nearly \$1.4 billion, or 302 percent), HUD (\$326) million, or 81 percent), and the Department of Transportation (\$66 million, or 33 percent).

There are four basic categories of programs and services provided by the Federal Government to Native American Tribes, as well as to individuals and families residing on, near, and in some cases off reservation: health care, education, economic and infrastructure development, and other basic services (see Table 10–2). Major accomplishments under the Native American Programs Initiative include:

Health Care: The Indian Health Service received a \$777 million increase since 1993 to address major health problems affecting Native Americans and Alaska Natives. This funding enabled IHS to improve the quality of, and access to, basic medical care. IHS targeted health problems that disproportionately affect Native Americans, such as diabetes and alcohol and substance abuse. As a result of IHS's monitoring, prevention education, and treatment activities, IHS diabetic patients' average blood sugar levels decreased by eight percent between 1994 and 1999.

Education: In 2001, the Department of Education received an increase of about \$35 million from the 1993 level for Indian Education Programs. These programs serve students attending BIA-administered schools or public schools with high concentrations of Native American students, and are designed to address the unique academic and cultural needs of Native American children. In the last two years, American Indian Teacher Corps and the American Indian Administrator Corps were established to increase the number of skilled professionals in classrooms with high concentrations of Native American students.

Since 1993, BIA was provided an increase of more than \$140 million for the operation of its elementary and secondary school system. In 2001, BIA received a record total of \$293 million, \$160 million over 2000, for the repair, rehabilitation, and maintenance of these schools. Also in 2001, the Department of Education received \$1.2 billion to rehabilitate elementary and secondary schools across the country, including a \$75 million setaside for public schools with high concentrations of Native American students.

Four Federal agencies (DOI, Agriculture, Education, and HUD) contributed to 28 Tribal Colleges and Universities (TCU) to help improve and expand TCUs capacity to serve Native American students. Three new institutions were established between 1993 and 1997. In 1993, total operating funding for these institutions was \$24 million, with BIA as the sole provider of these funds. Appropriations for 2001 allowed the four agencies to provide a total of \$72 million, or 27 percent over 2000, for core operations, curriculum development, student recruitment, student services, professor training, research capacity-building, Tribal outreach, technical assistance, and facilities construction and renovation.

Economic and Infrastructure Development: Since 1993, the Economic Development Administration (EDA) in the Department of Commerce provided 660 grants to Indian Tribes and organizations totaling \$96.5 million. These funds were matched by more than \$41 million in local share and were expected to leverage about \$25 million in private sector investment. The combined investment led to

Table 10-2. Selected Native American Programs

(Budget authority, dollar amounts in millions)

	1993 Actual	2001 Enacted	Change: 1993–2001	Percent Change: 1993–2001
Health Care:				
Indian Health Service—BA only (HHS)	1,858	2,635	777	42%
Indian Health Service Program level, including receipts	2,022	3,194	1,172	58%
Education:				
BIA School Construction, Repair, Maintenance (BIA/DOI) School Construction For Public Schools Serving High Concentra-	90	293	203	226%
tions of Native Americans (Education)	4	75	71	1,775%
BIA School Operations (BIA/DOI)	343	489	146	43%
Indian Education Assistance for Public and BIA Schools Serving				
High Concentrations of Native Americans (Education)	81	116		43%
Support of Tribal Community Colleges (Multiagency)	24	72	48	200%
Economic Development:				
New Markets and Other Activities—Economic Development				
Administration (Commerce)	3	17	14	467%
Digital Opportunity and Other Activities (NSF)	*	10	10	NA
Small Business Development (SBA)	*	2	2	NA
Community Development Financial Institute (Treasury)	*	5	5	NA
Rural Community Advancement Program/RCAP (USDA) Commercial Code Implementation and Other Activities—Admin-	*	24		NA
istration on Native Americans (HHS)	35	46	11	31%
Infrastructure and Other Basic Services:				
Indian Reservation Roads and Bridges:				
Road/Bridge Construction (DOT)	200	263		32%
Road/Bridge Maintenance (BIA/DOI)	30	27	-3	-10%
Indian Housing:				
Housing and Urban Development	401	727	326	81%
Housing Improvement Program (BIA/DOI)	20	20		
Joint Indian Country Law Enforcement:				
Department of Justice	4	219	215	5,375%
BIÂ/DOI	93	153	60	65%
Subtotal, Law Enforcement	97	372	275	284%
Capacity Building and Other Basic Services:				
Environmental Protection Agency	38	196	158	416%
Improved Trust Services (BIA/DOI)	84			24%
Operation of Indian Programs (BIA/DOI)	1,364		378	28%
Total Government-wide Funding for Native American				
Programs	5,360	9,387	4,027	75%

^{*}Less than \$500 thousand.

Note: Columns are not additive.

the preservation and/or creation of more than 5,600 jobs over the life of the projects. Of the EDA grant amounts, about \$21.6 million supported 63 ongoing Native American planning programs throughout the Nation. EDA anticipates awarding an additional \$17 million in grants in 2001.

USDA's loan and grant program activity to Native American communities and individuals increased from approximately \$10 million in 1993 to approximately \$95 million in 1999. Funds were provided through the Rural Housing Service, Rural Utilities Service, and the Rural Business and Cooperative Service. In 2001, additional funds are available for economic development through the \$24 million appropriated to Tribes from USDA's Rural Community Advancement Program.

NA = Not applicable.

In 1999, the Smithsonian Institution dedicated the site for the National Museum of the American Indian (NMAI) on the National Mall, in Washington, DC. The Administration worked closely with the Congress to secure both the authorization and the funding for this proposal. Located at the foot of Capitol Hill, the Museum will provide excellent exposure for Native American artifacts and related museum activities. The Smithsonian Institution also operates the George Gustav Heye Center of the NMAI at the U.S. Custom House in New York City, and the Cultural Resources Center in Suitland, Maryland.

Since 1993, the Department of Transportation has constructed 2,100 miles of roads, maintained 22,000 miles, and replaced or rehabilitated 225 bridges under the Indian Reservation Roads Program (IRR). The Administration also worked to expand public transportation services for residents of Indian communities.

HUD worked with the Congress to pass the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA). The Act was an important affirmation of Tribal self-governance because it provided funding for housing directly to Indian Tribes and Alaska Native Villages. The legislation set up a housing block grant program that promotes both flexibility and accountability. The appropriation for the block grant increased by 24 percent between 1997 and 1998, the first year after NAHASDA's enactment. Annually, more than 500 Tribes received housing funds through the block grant.

Other Basic Services: The Departments of Justice and the Interior worked together to address rising crime rates on Indian reservations. The agencies contributed \$281 million in 1999, \$336 million in 2000, and \$372 million in 2001 toward Indian Country law enforcement. This funding was used to hire, train, and retain additional officers and dispatchers, provide additional equipment, replace high-mileage vehicles, construct detention and court facilities, and ensure improved law enforcement services and protection on or near Indian reservations.

In October 1994, the Environmental Protection Agency established the American Indian Environmental Office to oversee the development and implementation of the EPA's Indian policy and programs. Funding for Tribal environmental issues and programs increased five-fold from 1993 to 2001, from \$38 million to \$196 million. In 2001, Tribes received \$53 million in General Assistance Program Grants, supporting Tribal environmental program capacity building. In 1999, 270 Tribes were operating environmental programs, an increase from 90 Tribes in 1995.

The Department of the Interior implemented several efforts to improve Indian trust fund management systems and procedures to ensure more timely and accurate information and revenue payments to more than 350,000 Tribal and individual landowners.

Regional Development Programs

Federal efforts have been instrumental in shaping the economic development and prosperity of many U.S. regions through targeted assistance programs. Two areas in which longstanding efforts have been underway are the Tennessee Valley and the Appalachian Region. More recently, this Administration also has leveraged Federal resources to provide substantial financial and technical assistance to the District of Columbia and the Mississippi Delta Region, both of which have struggled with unique financial and economic problems.

Tennessee Valley: The Tennessee Valley Authority (TVA) contributes to the economic prosperity of the seven-State Tennessee Valley region by supplying it with economical electric power and through its management of a complex river system, an integrated effort consisting of navigation, flood control, water supply, and recreation programs. TVA pays for its river management program through proceeds from the agency's \$6.8 billion power program, user fees and sources other than appropriations. TVA's vision statement, Generating Prosperity in the Valley, established three clear goals for the agency: 1) supplying lowcost reliable power; 2) supporting a thriving river system; and, 3) stimulating economic growth.

Highlights of TVA's accomplishments since 1993 include:

- Supporting the creation of thousands of jobs and billions of dollars of investments in the Valley's economy over the past decade as a result of TVA's stable power rates. TVA's 10-year financial plan adopted in 1997 is designed to ensure that TVA's price of power remains stable and competitive.
- Establishing a Regional Resource Stewardship Council in 1999 a 20-member citizen's advisory body to provide input to improve TVA's management of the natural resources of the Tennessee Valley. TVA's Clean Water Initiative also has helped build partnerships with local residents, business and industry, and government agencies for watershed protection and improvement. TVA's Constructed Wetlands Initiative has helped to remove hazardous materials from water that must be returned to nearby streams and rivers.
- Expanding an existing manufacturing credit to industries and establishing an economic development loan fund to help launch new businesses, grow existing businesses, and stimulate economic growth throughout the region. TVA's \$300 million annual payments to State and local governments in lieu of taxes provide additional benefits to the region.

The energy programs of TVA are discussed in Chapter 5, "Energy."

Appalachian Region: The Appalachian Regional Commission (ARC) targets its resources to highly distressed areas, focusing on critical development issues on a regional scale, and making strategic investments that leverage other Federal, State, local, and private participation and resources. These investments have paid off in this region, which historically lags behind the rest of the Nation in economic performance.

Since 1993, ARC-supported activities throughout Appalachia have been responsible for:

- creating nearly 160,000 jobs;
- providing more than 185,000 households, and nearly 6,000 businesses, with access

- to new or improved water, sewage, or waste management systems;
- providing educational and worker training programs to more than 415,000 students; and.
- placing nearly 1,200 physicians in health professional shortage areas.

District of Columbia: In response to the District of Columbia's financial crisis in the early 1990's, this Administration worked with the Congress to establish the District of Columbia Financial Responsibility and Management Assistance Authority (the Control Board) to assist the District in regaining financial stability. In 1997, the comprehensive plan proposed by President Clinton to revitalize the District and allow for home rule was passed by the Congress as the National Capital Revitalization and Self-Government Act (the Revitalization Act). Through the Revitalization Act and other financial and management reform acts, this Administration succeeded in:

- providing more than \$2 billion in savings to the District over the next five years;
- increasing the Federal match rate for Medicaid in the District from 50 to 70 percent;
- assuming responsibility for funding State justice functions, such as incarceration of adult felons, supervision of parolees, and financing of the D.C. Courts; and,
- relieving the District of \$5 billion of unfunded pension liability that D.C. had inherited from the Federal Government in the late 1970s.

In addition to securing passage of the Revitalization Act, this Administration:

- initiated further changes to the D.C. Medicaid formula, saving the District an addition \$9 million per year;
- supported the Taxpayer Relief Act, which provided \$1.2 billion in tax relief over five years to District residents and businesses; and,
- proposed the College Access Act, which provides \$17 million per year for D.C. high school students to attend out-of-State colleges at in-State tuition rates.

Table 10-3. Delta Regional Authority and Associated Agency Funding (Budget authority, in millions of dollars)					
Agency	2001 Enacted	Description			
Delta Regional Authority	20	The newly created Delta Regional Authority will use funds for area development and technical assistance.			
Department of Transportation	226	Funds will support a variety of highway infrastructure and transportation projects.			
Department of Health and					
Human Services	7	Funds will support new Rural Health Outreach grants in the Delta, which will provide services like primary care, dental care, mental health services, and emergency care			
Department of Agriculture	6	Funds were provided for technical assistance grants and t finance intermediaries that re-lend to rural businesses and community development corporations.			

Mississippi Delta Region: This Administration also has been committed to bringing economic prosperity to areas such as the Mississippi Delta Region, an area comprising some of the most distressed communities in the Nation. In the Delta region, poverty remains at 175 percent of the national average. Per capita income in the Delta's distressed counties is only 53 percent of the national average. In 2001, the Congress supported the President's request to create and fund the Delta Regional Authority (DRA) to promote economic development in the region. The DRA will provide a framework for coordinated Federal, State, and local government efforts to meet the development challenges in this region. The Congress also supported the President's request to boost funding in the region for transportation and other development-related activities (see Table 10-3 for the DRA and associated agency funding summary).

Disaster Relief and Insurance

The Federal Government provides financial help to cover a large share of the Nation's losses from natural disasters. Since 1993, the two major Federal disaster assistance programs—the Federal Emergency Management Agency's (FEMA) Disaster Relief Fund and the Small Business Administration's (SBA) Disaster Loan program have provided more than \$32 billion in emergency assistance. The Federal Government shares the costs with States for infrastructure rebuilding;

makes disaster loans on uninsured losses to individuals and businesses; and provides grants for emergency needs and housing assistance, unemployment assistance, and crisis counseling.

This Administration has shifted much of FEMA's focus to preventing disasters, an effort that has garnered nationwide support. Since 1993, FEMA has provided \$2.3 billion to States and communities following disasters for hazard mitigation projects, efforts to reduce the costs of future disasters. Recent Stafford Act changes, enacted in 2000, will ensure that a higher percentage of the assistance provided following future disasters will be for hazard mitigation activities. In addition these post disaster response activities, FEMA has worked to establish "disaster resistant communities" across the country. Participating communities assess their risks from earthquakes, floods, hurricanes and other disasters, and adopt prioritized mitigation plans.

Communities participating in FEMA's flood insurance program, which provides the only source of affordable flood insurance to property owners, must mitigate future losses by adopting and enforcing floodplain management measures that protect lives and new construction from flooding. FEMA is also modernizing its inventory of flood plain maps and taking measures to mitigate properties experiencing repetitive flood damages.

The 1993 to 2001 accomplishments for FEMA include:

- Providing more than \$22 billion in disaster relief and grants to families and individuals, as well as State and local governments, to help communities rebuild following natural disasters. While dispensing this assistance, the agency has revamped its programs, delivering disaster assistance much more quickly and effectively than in the past.
- Leading successful responses for the more than 350 disasters declared by the President during this Administration in partnership with SBA and other Federal agencies, as well as State and local emergency response agencies. FEMA assistance and leadership paid off in helping communities recover from the 1993 Midwest floods, the 1994 Northridge earthquake, the 1995 Oklahoma City bombing and numerous hurricanes, tornadoes, and floods.
- Undertaking a nationwide initiative, Project Impact, to make communities aware of their disaster risks and more dis-

- aster resistant. Since the program was begun in 1997, FEMA has signed up nearly 250 communities and 1,500 business partners.
- Overseeing tremendous growth in the number of policies issued by the National Flood Insurance Program, which has grown from 2.7 million to 4.2 million policyholders, with insurance coverage worth more than \$500 billion.

The 1993 to 2001 accomplishments for the SBA Disaster Loan Program include:

- Offering disaster loan assistance under 606 Presidential and SBA disaster declarations and 823 agriculture disaster declarations in the United States, its territories, and possessions. SBA has approved 386,000 disaster loans totaling more than \$10.6 billion for homes, businesses, and nonprofit institutions.
- Reducing the paperwork burden for loan applicants and simplifying the loan application process. SBA also has speeded loan processing by introducing automated loan documentation and approval systems.